

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

First-Class Mail and Periodicals
Service Standard Changes, 2021

Docket No. N2021-1

STEVE HUTKINS
INTERROGATORIES TO UNITED STATES POSTAL SERVICE WITNESS CINTRON
(May 17, 2020)

Pursuant to 39 C.F.R. § 3010.311, I hereby submit interrogatories and requests for production of documents to United States Postal Service witness Robert Cintron.

If the witness is unable to provide a complete, responsive answer to a question, I request that the witness redirect the question to a witness who can provide a complete, responsive answer. In the alternative, I request that the question be redirected to the Postal Service for an institutional response.

The instructions contained in my interrogatories to witness Cintron, SH/USPS-T-1-1-9, are incorporated herein by reference.

Respectfully submitted,

Dated: May 17, 2021

Steve Hutkins
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SH/USPS-T-1-1. Please refer to your testimony, p. 35, lines 4-11, where you state the following:

At the same time, its standards should also be aligned to improve predictability and reliability, by considering the Postal Service’s operational capabilities. Data on service performance from recent years confirms that the standards currently in place have not aligned closely with actual performance. With the changes proposed in transportation that are enabled by these changes, the Postal Service will be able to significantly improve its service reliability. As noted above, we expect to set service performance targets at 95 percent once the new service standards are in place, and we expect to meet or exceed those standards on a consistent basis.

- a. Please confirm that based on this statement it would be reasonable to conclude that one of the goals of the proposed change in standards is to achieve performance scores that are “predictable,” “reliable,” and “consistent.” If not confirmed, please explain.
- b. Please confirm that based on this statement it would be reasonable to conclude that achieving a target score of 95 percent would be an indication that such a goal has been achieved. If not confirmed, please explain.

SH/USPS-T-1-2. Please refer to the following table, which shows service performance for First Class mail during the six quarters prior to April 2020, i.e., before the effects of the pandemic could be expected to have impacted performance. This table draws from the quarterly performance reports for single-piece and pre-sort First Class mail for FY19 Q4 (submitted Nov. 12, 2019) and the FY20 Q2 report (submitted May 11, 2020), both of which show year-to-date data.

| On-Time Service Performance, First Class Mail, FY19 and FY20 Q1-Q2, with variance scores | | | | | | | | | | | | | |
|------------------------------------------------------------------------------------------|--------------|-----------------|-----------------------|------------------------|------------------------|-----------------|-----------------------|------------------------|------------------------|-------------------|-----------------------|------------------------|------------------------|
| | | Overnight | | | | Two-Day | | | | Three-To-Five-Day | | | |
| | | Percent on time | Percent Within +1-Day | Percent Within +2-Days | Percent Within +3-Days | Percent on time | Percent Within +1-Day | Percent Within +2-Days | Percent Within +3-Days | Percent on time | Percent Within +1-Day | Percent Within +2-Days | Percent Within +3-Days |
| FY19 | Pre-Sort | 95.7 | 98.5 | 99.2 | 99.4 | 94.3 | 98 | 99 | 99.4 | 92.1 | 97.4 | 98.8 | 99.3 |
| FY19 | Single Piece | N/A | N/A | N/A | N/A | 92.5 | 97.3 | 98.5 | 99.1 | 81.4 | 93.9 | 97.2 | 98.4 |
| FY20 Q1-2 | Pre-Sort | 95.4 | 98.3 | 99 | 99.4 | 94.2 | 98 | 99 | 99.4 | 92.1 | 97.5 | 98.8 | 99.3 |
| FY20 Q1-2 | Single Piece | N/A | N/A | N/A | N/A | 92.9 | 97.4 | 98.6 | 99.1 | 81.1 | 94.1 | 97.3 | 98.5 |

- a. Please confirm that for pre-sort mail all scores for “percent within +1 day” are greater than 95 percent for mail with an overnight, 2-day and 3-5 standard.
- b. Please confirm that for single piece mail, all scores for “percent within +1 day” are greater than 95 percent for 2-day mail, and scores for “percent within +2 day” are greater than 95 percent for 3-5-day mail.

- c. Please discuss why these scores do not represent service that is “predictable,” “reliable,” and “consistent.”
- d. Please discuss why mailers, who have ready access to these performance reports on the PRC website, would not be able to predict, with a reasonable level of certainty, what percentage of their mail will be delivered within a day or two of the expected day of delivery.

SH/USPS-T-1-3. Please refer to the following table, which shows on-time and variance scores for FY19 and FY20 Q1-2, compared with what the Postal Service hopes to achieve under the proposal, i.e., a target of 95 percent on time.

| Service performance scores in FY19-FY20 Q1-2 and projected targets under proposed standards | | | | | | | | |
|---------------------------------------------------------------------------------------------|--------------|-------------------------|-----------------------|-------------------------|-----------------------|-------------------------|-----------------------|------------------------|
| FY19-FY20 Q1-2 | | 2-Day | | 3-5-Day | | | | |
| | | Percent on time | Percent Within +1-Day | Percent on time | Percent Within +1-Day | Percent on time | Percent Within +1-Day | Percent Within +2-Days |
| Days Since Entered | | Day 2 | Day 3 | Day 3 | Day 4 | Day 3 | Day 4 | Day 5 |
| FY19 | Pre-Sort | 94.3 | 98 | 92.1 | 97.4 | 92.1 | 97.4 | 98.8 |
| FY19 | Single Piece | 92.5 | 97.3 | 81.4 | 93.9 | 81.4 | 93.9 | 97.2 |
| FY20 Q1-2 | Pre-Sort | 94.2 | 98 | 92.1 | 97.5 | 92.1 | 97.5 | 98.8 |
| FY20 Q1-2 | Single Piece | 92.9 | 97.4 | 81.1 | 94.1 | 81.1 | 94.1 | 97.3 |
| Under Proposed Standards | | 2-Day Shifting to 3-Day | | 3-Day Shifting to 4-Day | | 3-Day Shifting to 5-Day | | |
| | | Percent Within -1-Day | Percent on time | Percent Within -1-Day | Percent on time | Percent Within -2-Day | Percent Within -1-Day | Percent on time |
| Days Since Entered | | Day 2 | Day 3 | Day 3 | Day 4 | Day 3 | Day 4 | Day 5 |
| Projected (Composite, Pre-sort and Single Piece) | | N/A | 95 | N/A | 95 | N/A | N/A | 95 |

- a. Please confirm that during FY19 - FY20 Q1-2, for mail with a 2-day service standard, there was at least a 97.3 percent chance that a mail piece arrived by the third day and at least a 92.5 percent chance it arrived by the second day, while under the proposal, for mail that is downgraded from 2-day to 3-day, the target will be at least a 95 percent chance that it will arrive by the third day, but there will be little-to-no chance it will arrive by the second day. If not confirmed, please explain and correct this statement.
- b. Please confirm that during FY19 - FY20 Q1-2, for mail with a 3-5-day service standard, there was at least a 93.9 percent chance that a mail piece arrived by the fourth day and at least a 81.1 percent chance it arrived by the third day, while under the proposal, for mail that is downgraded from 3-day to 4-day, the target will be at least a 95 percent chance it will arrive by the fourth day, but there will

be little-to-no chance it will arrive by the third day. If not confirmed, please explain and correct this statement.

- c. Please confirm that during FY19 - FY20 Q1-2, for mail with a 3-5-day service standard, there was at least at least a 97.3 percent chance that a mail piece arrived by the fifth day, a 93.9 percent chance it arrived by the fourth day, and a 81.1 percent chance it arrived by the third day, while under the proposal, the target will be at least a 95 percent chance that it will arrive by the fifth day, but there will be little-to-no chance it will arrive by the third or fourth day. If not confirmed, please explain and correct this statement.
- d. Please refer to Library Reference USPS-LR-N2021-1-5, the Excel document entitled "Thress.xlsx," tab Data. Please confirm that the average time of delivery for single piece mail for FY20 Q4 was 2.5 days, and the average delivery time for pre-sort mail was 2.4 days. If not confirmed, please explain and correct.
- e. Please confirm that an 18 percent increase in delivery time would lead to an average delivery time of approximately 2.95 days for single piece and 2.83 days for pre-sort. If not confirmed, please explain and provide correct estimates.
- f. Please discuss why mailers and recipients should prefer the performance targets and longer delivery times that will occur with the proposed service standards over the actual scores and delivery times that occurred before the pandemic.

SH/USPS-T-1-4. Please refer to Library Reference USPS-LR-N2021-1-1, Excel spreadsheet "1_P.Mode_Mapping.xlsx," the tab "Letters," containing data designating the approved mode of transportation between every 3-Digit ZIP Code origin and destination pair in the country. Please confirm that the spreadsheet shows 867,708 OD pairs, of which 385,009 are identified as Air. If not confirmed, please explain and correct.

SH/USPS-T-1-5. Please refer to witness Hagenstein's testimony, N2021-1 USPS-T-3, p. 25, lines 7-10, where he states that "the number of 3-digit OD Pairs that utilize air transportation is expected to decrease from 354,705 to 277,932." Please confirm that this means 76,773 pairs will shift from air to surface and that these are all pairs that would be shifted from a 3-day to 4 or 5-day service standard. If not confirmed, please explain and correct.

SH/USPS-T-1-6. Please refer to witness Hagenstein's testimony, N2021-1 USPS-T-3, page 20, lines 15-18, p. 21, lines 1-3. Please confirm that approximately 456,304 pairs will be downgraded from a 3-day standard to 4 or 5-day standard.

SH/USPS-T-1-7. Please confirm that the 76,773 pairs shifting from Air to Surface represents approximately 16.8 percent of the 456,304 pairs being downgraded to a 4 or 5-day standard, and that the remaining 83.2 percent of these downgraded pairs, approximately 379,531 pairs, will continue to be approved for air transport.

SH/USPS-T-1-8. Please explain why the Postal Service plans to downgrade nearly 380,000 pairs from 3-day to 4 and 5-day when the approved mode of transportation for these pairs will remain air.

SH/USPS-T-1-9. Please refer to your testimony, p. 28, lines 18-22, where you state, "Finally, after extending service standards by one or two days within the contiguous United States, the Postal Service will establish an expanded surface network for First-Class letters and flats, capable of reaching coast to coast."

- a. Please confirm that this statement indicates that the Postal Service plans to eventually shift all, or nearly all, First Class mail within the contiguous United States to surface transportation, including mail going coast-to-coast. If not confirmed, please explain what the statement means.
- b. Please confirm that the proposed service standards for 4 and 5-day mail are based on drive-time and distances, and this indicates that the Postal Service plans to eventually transport all, or nearly all, First Class mail within the contiguous United States by surface transportation. If not confirmed, please explain why the plan uses drive time to define the proposed standards.
- c. Please confirm the approximately 76,773 pairs shifting from Air to Surface represents approximately 20 percent of the 385,009 OD pairs currently approved for air transport. If not confirmed, please explain and correct.
- d. Please explain why the plan presented to the Commission encompasses a relatively small portion of the pairs that will eventually be shifted from air to surface.
- e. Please discuss the Postal Service's plans for transitioning the remaining pairs from air to surface, including the plan's phases, time frames, number of pairs per phase, etc.